



At a Glance

Why We Did This Review

We conducted this audit to determine whether the U.S. Environmental Protection Agency's (EPA's) current use of Lean methodologies operates as intended by eliminating waste and achieving savings. Lean is a set of principles and methods used to help organizations identify and eliminate waste in their processes.

In a 2014 memorandum, the EPA introduced its Lean Government Initiative "as a way to maximize the agency's ability to effectively implement its mission." The memorandum referred to "expectations for taking the EPA's Lean work to the next level" and announced the launch of an agencywide GreenSpark event designed to engage all employees in the Lean effort. To meet these objectives, the EPA dedicated significant resources—including contract and staff support—to apply Lean methodologies and educate the workforce about Lean.

This report addresses the following EPA goal or cross-agency strategy:

- *Embracing EPA as a high-performing organization.*

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EPA Needs to Institutionalize Its "Lean" Program to Reap Cost and Time Benefits

What We Found

We found that the EPA could not fully demonstrate that its Lean Government Initiative is operating as intended to eliminate waste and achieve savings. We found the following opportunities for the EPA to strengthen its Lean Government Initiative:

- Selection of Lean projects to avoid overlap.
- Improvements in monitoring Lean efforts to gauge progress.
- Improvements in reporting Lean projects, including cost metrics.
- Identification and tracking of Lean projects.
- Development of a cohesive strategy for leading, implementing and monitoring the Lean initiative.
- Implementation of consistent and standard Lean training.

The federal government has issued guidance on how federal agencies can optimize performance, improve efficiencies, and identify ways to eliminate wasteful practices and operate more efficiently. In addition, the EPA has issued memorandums on how to use Lean specifically within the agency. However, the EPA's internal controls for implementing Lean in accordance with this guidance and these memorandums need improvement, such as identifying and tracking Lean projects to gauge progress and costs, as well as leading and monitoring the Lean initiative agencywide. Because these controls have not been fully implemented, Lean has not been institutionalized at the EPA. These internal controls must be improved before the agency can fully maximize the application of Lean practices and ensure that it is not wasting resources by failing to create efficiencies.

Recommendations

We recommend that the Associate Administrator for Policy implement a strategy for institutionalizing the Lean Government Initiative within the agency. In addition, the Office of Policy (OP) should develop policies that specify how to plan, design, oversee and implement Lean practices. OP should also establish agencywide controls for monitoring, tracking and measuring the progress of Lean projects, as well as for vetting and collaborating on Lean projects to avoid overlap. Lastly, OP should develop standard Lean training for EPA staff. The EPA concurred with all of the recommendations and initiated corrective actions.

Noteworthy Achievements

OP has launched a new automated Lean tracking system—called LeanTrack—which OP said "will simplify information submissions, summarize work, and provide an understanding of project activity across EPA and in the states."

Why "Lean" the EPA?

Tight and dwindling resources necessitate more efficient use of the EPA's multibillion dollar budget.